

NON APPROPRIATED FEDERAL FUNDS (NOT IN THE BUDGET BILL)

Procedures To Request Appropriation for Federal Funds, Establish Appropriation Accounts, and Allot Federal Operating Funds

The non-appropriated federal funds procedures is used to request approval to expend federal awards not appropriated in the budget bill. If a federal award was not listed on Form FF for the current fiscal year, the non-appropriated process must be used to request approval to expend federal funds and to establish an appropriation account.

1. Departments Heads and Heads of State entities are delegated authority to approve and submit applications for federal awards. They will review and authorize federal awards applications and designate the program(s) (by Program ID) that will expend the federal funds. For each award that is applied for, Department Heads and Heads of State entities will ensure that a written plan is available that describes how the federal funds will be used.
 - a) Departments Heads and Heads of State Entities must have in place policies, practices, and procedures that will:
 - i. Avoid waste, fraud, and abuse;
 - ii. Ensure that costs charged to federal programs are allowable costs, in accordance with applicable laws, regulations, agreements and contracts;
 - iii. Ensure that funds provided under each federal award are separately accounted for, from receipt to obligation to expenditure;
 - iv. Ensure that effective cash management is employed for federal funds to minimize the time elapsing between (i) the transfer of funds from the federal government, or from a pass-through entity, to (ii) disbursement;
 - v. Ensure the use of federal funds meet all federal requirements as described in individual federal grant awards and OMB circulars;
 - vi. Fulfill federal reporting requirements in a timely manner.
 - b) Department Heads and Heads of State Entities will maintain a separate file for each federal award that contains a copy of the federal award notice and any other major correspondence with the federal awarding agency that may impact the use of federal funds.
2. If an award application is successful, the award will be recorded in FAMS within fourteen (14) days of receipt of the notice of award.
3. Department will complete and submit Form E-3 to the Senate President and the Speaker of the House of Representatives as notification about the request to expend additional federal funds. Note: pursuant to Section 88 of Act 134, SLH 2013, the Governor is required to notify the Legislature five (5) days prior to the Governor's approval to expend these funds.
4. Department will complete and submit Form E-2 (Request Approval to Expend Non-Appropriated Federal Funds) to the Governor for approval to expend federal funds and to establish a State Appropriation Account for the federal award. A copy of the federal award notice and Form E-3 will be attached to Form E-2 (Request Approval to Expend Non-Appropriated Federal Funds). If the request is from a subrecipient, an interdepartmental agreement from the prime recipient will be attached instead of the federal award notice.

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5. The Governor will approve or disapprove the request and forward Form E-2 (Request Approval to Expend Non-Appropriated Federal Funds) to DAGS.
6. DAGS will assign the Appropriation Account Symbol and enter it on Form E-2 (Request Approval to Expend Non-Appropriated Federal Funds). DAGS will return a copy of Form E-2 (Request Approval to Expend Non-Appropriated Federal Funds) to Budget & Finance and transmit the original to the Department.
7. Department will prepare and submit Form A-19 (Request for Allotment) to Budget & Finance. The FAMS ID No. shall be noted on Form A-19. The allotment amount requested shall not exceed the amount shown on the federal award notice.
8. Budget & Finance will verify the amount on Form A-19 (Request for Allotment) against the federal award notice
9. If approved, B&F will send Form A-19 to DAGS.